

## Notice of Oil and Gas Lease Terminated Class II

Reinstatement Procedures (Form 3108-2a)



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Serial Number

Anniversary Date

NOTICE  
OIL AND GAS LEASE TERMINATED  
CLASS II REINSTATEMENT PROCEDURES

This is to inform you that your Federal oil and gas lease, serial number identified above, was automatically terminated by law because your rental payment was not received on or before the anniversary date. This termination was effective on the anniversary date of the lease. You may qualify for reinstatement of the lease under Class II reinstatement provisions described below. No specific form is required to petition for reinstatement. A letter describing the reason that the rental payment was not received by the anniversary date is sufficient.

Pursuant to 30 U.S.C. 188(d) and (e) 43 CFR 3108.2-3, you have a right to petition for reinstatement of the lease. The right of a Class II reinstatement is subject to all of the following conditions and procedures provided that:

1. A new oil and gas lease has not been issued for any of the lands affected by the terminated lease; and
2. Within 60 days after receipt of this Notice, a petition for reinstatement together with all back rental and/or royalty at the increased rates accruing from the date of termination of the lease at the rate identified below is filed in this office; and
3. It is shown to the satisfaction of the authorized officer that failure to pay rental timely was justified or not due to a lack of reasonable diligence or no matter when the rental was paid, such failure was inadvertent; and
4. The authorized officer determines that the requirements for filing the petition of reinstatement have been timely met, in which case, the lease may be reinstated if the lessee agrees to new lease terms increasing rental and royalty rates as described below:
  - For **Noncompetitive Leases** issued pursuant to Section 17(c) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181, 226(c)), rental at a rate of \$5 per acre or portion thereof per year, and royalty at a rate of not less than 16 2/3 percent; or
  - For **Competitive Leases** issued pursuant to Section 17(b) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181, 226(b)), rental at a rate of \$10 per acre or portion thereof per year, and royalty at a rate of not less than 16 2/3 percent computed on a sliding scale and at a rate which shall not be less than 4 percentage points greater than the competitive royalty schedule currently in effect; and

(Continued on reverse)

Form 3108-2a (November 1990)

H-3108-1 - RELINQUISHMENTS, TERMINATIONS, AND CANCELLATIONS

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5. The lessee pays the Bureau of Land Management for the cost of reinstating the lease consisting of:
- \$125 to ensure payment of the cost of publication in the **Federal Register**; and
  - A \$500 nonrefundable administrative fee.

Payments are to be made payable to the "Department of the Interior—BLM."

Before filing a petition for reinstatement under Class II provisions, the information provided in the **Lease Termination/Reinstatement Facts** below should be considered.

Your Class II petition for reinstatement **must** be filed with this Office at the address given on the letterhead. If you do not file a petition within **60 days**, you lose all rights to reinstate your lease.

**LEASE TERMINATION/REINSTATEMENT FACTS**

Termination of your lease is automatic and is statutorily imposed by Congress when the annual rental is not timely received. The Bureau of Land Management has no discretion in the matter and merely notifies you of this occurrence. Such termination is triggered solely by failure of a lessee to submit the rental timely.

The lessee has the responsibility to ensure that the rental payment is timely received. The lessee may choose any appropriate delivery method, including U.S. Postal Service, but the Postal Service (or other third party) becomes the agent of the lessee. Payments have to be sent sufficiently in advance of the lease anniversary date to allow for normal delays by the Postal Service (or other third party) in the collection, transmittal and delivery to the designated Minerals Management Service Office.

Each lessee/ assignee has the responsibility to be familiar with all of the lease terms and obligations, including the lease anniversary date and the total, correct amount of the annual rental due, without benefit of a courtesy billing notice. Reliance on receipt of a billing notice does not justify or excuse a failure to pay rental timely, as the notice is sent to the lessee merely as a courtesy.

Reinstatement terms are set by Congress without discretion, not by the Bureau of Land Management, under the provisions of the Mineral Leasing Act of 1920, as amended by the Federal Oil and Gas Royalty Management Act of 1982.

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Authorized Officer